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TSPIRS

Timber Sale Program Information Reporting System

Chatham Area
1987



United States
Department of
Agriculture

PREPARED BY
Forest
Service

Alaska Region
Leaflet
R10-MB-49

REPORT 1 - FINANCIAL REPORT

Report 1 is an accounting report of the Chatham Area's timber management program for fiscal year 1987. This report displays revenues and costs by GAO and Forest Service developed cost centers.

I. REVENUES

Timber Sales	\$91,000
Purchaser Road Credit	543,000
Associated Charges	12,000
Interest and Penalties	0
Total Revenues	\$646,000

II. EXPENSES

Sale Administration	\$617,000
Sale Activity Allowance	2,571,000
Growth Activity Allowance	296,000
Facilities Depreciation	149,000
General Administration	987,000
Total Operating Expenses	\$4,620,000

Gain/ <Loss> Before Payments to State	<\$3,974,000>
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III. PAYMENT TO STATE ^{1/}	\$0
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Net Gain/ <Loss> From Timber Sales	<\$3,974,000>
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IV. VOLUME HARVESTED (in board feet)	54,000,000
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1/ Payment to State based upon 25% of actual cash received for the Fiscal Year. No payment was made in FY 87 due to application of rate redeterminations in accordance with the Federal Timber Contract Payment Modification Act, PL 98-478.

REPORT 2 - ECONOMIC REPORT

Report 2 provides the present net value of future benefits and costs on the acres harvested in 1987. This report gives a perspective for the future flow of timber and associated non-timber resource costs and benefits.

The Report 2 analysis is consistent with the analysis and decisions of the Forest Plan. Costs and prices have been updated as appropriate.

The values of benefits and costs in Report 2 have been discounted to the present to account for the time preference. The standard Forest Service discount rate of 4% was used.

For discounting timber outputs, the time span extends from the year following the reporting period through the harvest of all future regenerated stands. In addition to timber outputs, Report 2 includes estimates of the present net value for non-timber outputs. The kinds and quantities of outputs associated with timber harvest is specified in the Forest Plan. The time frame to be considered for discounting non-timber outputs is 50 years.

I. PRESENT VALUE BENEFITS

Timber	\$554,500
Recreation	0
Wildlife / Fisheries	\$69,800
Total Present Benefits	\$624,300

II. NEGATIVE EFFECTS

Recreation	\$21,300
Total Negative Effects	\$21,300

III. INVESTMENTS VALUE

Timber	\$441,800
Recreation	0
Wildlife / Fisheries	\$46,800
Total Investments	\$488,600

IV. PRESENT NET VALUE	\$114,400
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REPORT 3 - EMPLOYMENT & INCOME REPORT AND RELATED PROGRAM ACCOMPLISHMENTS

Report 3 displays the effects the 1987 harvest had upon local employment and income.

I. EMPLOYMENT

Direct Jobs	265
Indirect & Induced Jobs	85
Total Jobs	350

II. LOCAL FISCAL EFFECTS

Total Personal Income	\$10,824,000
Cummulative Value to	
Local Communities	50,000,000
Federal Income Taxes Paid	2,386,000
25% Fund Payment to State ^{1/}	\$0

III. TIMBER PROGRAM ACCOMPLISHMENTS

Volume (in board feet):	
Offered	165,000,000
Sold	165,000,000
Harvested	54,000,000
Acres Precommercially Thinned	1,118

IV. MILES OF ROADS TO SUPPORT TIMBER PROGRAM

Appropriated	1
Purchaser Credit	12
Total	13

^{1/} Payment to State based upon 25% of actual cash received for the Fiscal Year. No payment was made in FY 87 due to application of rate redeterminations in accordance with the Federal Timber Contract Payment Modification Act, PL 98-478.



INTRODUCTION

The Forest Timber Sale Program Information Reporting System (TSPIRS) presents three viewpoints of the forests timber program for 1987. Each viewpoint presents a different approach to measure the timber program; each stands on its own and is not cumulative. Forest plans provide the mangement direction for all Forest Service resource activities. TSPIRS is one monitoring tool for us to find out how well we are managing according to the plans. This report will be produced and available to the public on an annual basis.

BACKGROUND: Based on the public concern over the benefits and costs of timber sales, Congress directed the Forest Service to develop a system that would show all timber related benefits and costs. TSPIRS is an effort to improve the way information is developed and displayed to help public understanding of timber management. This reporting system was developed jointly with the General Accounting Office (GAO) and the Forest Service. It has been reviewed and approved by Congress.

PURPOSE: The purpose of the report is to display fiscal year 1987 financial benefits and cost information for the Chatham Area timber management program.

FORMAT: The reporting system consists of three reports which display costs and benefits of the Forests' timber management program.

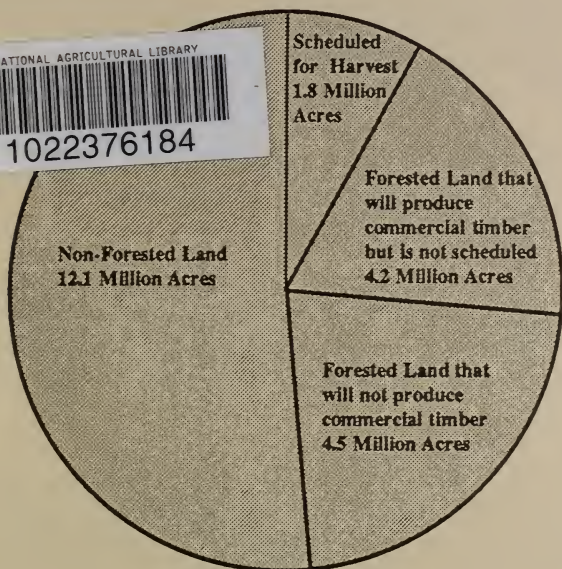
Descriptions of the three reports are listed below:

Report 1 - Financial Report (revenues compared with costs), this is similar to a private business profit and loss statement.

Report 2 - Economic Report - long term benefits, effects, and costs expected from the acres harvested in 1987. This report is tied to Forest Plan data.

Report 3 - Employment, Income and Program Report - current effects to local employment and income from harvest activities.

The following chart displays acres allocated for harvest over the next 100 years for all National Forests in Alaska as provided for in the current Forest Plans versus the total land base.



Regional Summary: Timber harvest for 1987 was the highest level since 1982. This reflected recovering timber markets in the Alaska Region. Anticipated improvement in timber markets in Fiscal Year 1988 are expected to increase timber revenues.

This Summary is based upon technical documents on file at the Forest Supervisor's Offices. For more information contact:

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